

HOUSE BILL REPORT

HB 1120

As Reported by House Committee On:

Capital Budget
Appropriations

Title: An act relating to the community and technical college capital projects account.

Brief Description: Returning interest earned to the community and technical college capital projects account.

Sponsors: Representatives Dunshee, Jarrett, Ormsby, Morrell, Roberts, Chase and Linville.

Brief History:

Committee Activity:

Capital Budget: 2/2/05, 2/14/05 [DP];

Appropriations: 3/1/05, 3/2/05 [DP].

Brief Summary of Bill

- Deposits the interest on the State Board for Community and Technical Colleges Capital Projects Account (Account) in the Account rather than the State General Fund.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 29 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Jarrett, Ranking Minority Member; Hankins, Assistant Ranking Minority Member; Blake, Chase, Cox, DeBolt, Eickmeyer, Ericks, Ericksen, Flannigan, Green, Hasegawa, Holmquist, Kretz, Kristiansen, Lantz, McCune, Moeller, Morrell, Newhouse, O'Brien, Roach, Schual-Berke, Serben, Springer, Strow and Upthegrove.

Staff: Marziah Kiehn-Sanford (786-7349).

Background:

There are six four-year public higher education institutions: The University of Washington; Washington State University; Central Washington University; Eastern Washington University; The Evergreen State College; and Western Washington University. The 34 public community and technical colleges are governed by the State Board for Community and Technical Colleges (SBCTC). Each of the institutions and the SBCTC has a building account that is appropriated by the Legislature for capital projects. The building accounts receive

dedicated revenue from trust revenue and from a building fee that students pay as part of their tuition.

The interest earned on accounts in the State Treasury goes to the State General Fund unless a statute states otherwise. All of the four-year public higher education institutions building accounts have the interest on these accounts deposited in the account rather than the State General Fund. The SBCTC managed account does not.

The purpose of the State Board for Community and Technical College Capital Projects Account (Account) is for construction, reconstruction, erection, equipping, maintenance, demolition and major alteration of state-owned buildings and other capital assets and the acquisition of sites, rights-of-way, easements, and improvements. During the 2003-05 biennium engineering and architectural services provided by the Department of General Administration were partially funded from this account.

Summary of Bill:

The interest on the State Board for Community and Technical Colleges' Capital Projects Account is deposited in the Account rather than the State General Fund.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed, except sections 1 and 2, relating to accounts which may retain interest earnings, which take effect July 1, 2006.

Testimony For: Currently, community and technical colleges are not given the interest earned on their projects account. This money is collected with student tuition. Interest earned on the Account is approximately \$200,000 per year. This revenue would help fund capital repairs and help reduce the backlog on capital repair projects of community and technical college campuses.

Testimony Against: None.

Persons Testifying: Tom Henderson, State Board for Community and Technical Colleges.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 29 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Armstrong, Bailey, Buri,

Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Hunter, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, Talcott and Walsh.

Staff: Brian Enslow (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Capital Budget:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed, except sections 1 and 2, relating to accounts which may retain interest earnings, which take effect July 1, 2006.

Testimony For: The building fee is approximately 10 percent of tuition collected, which amounts to approximately \$48 million per biennium. Community and technical colleges are not able to retain the interest earned on their Capital Projects Account. Interest earned on the account is approximately \$350,000 per biennium. This revenue would help fund capital repairs and help reduce the backlog of capital repair projects on community and technical college campuses.

Testimony Against: None.

Persons Testifying: Tom Henderson, State Board for Community and Technical Colleges.

Persons Signed In To Testify But Not Testifying: None.